

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA



UNITED STATES OF AMERICA :  
 :  
v. :  
 :  
KAREN MARIE JONES : 1:20CR 354 -1  
AUDREY RENETTA ODOM : 1:20CR 354 -2

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. KAREN MARIE JONES was a resident of Durham County, North Carolina, within the Middle District of North Carolina.
2. AUDREY RENETTA ODOM was a resident of Durham County, North Carolina, within the Middle District of North Carolina.
3. KAREN MARIE JONES owned Jones and Stone Taxes, a tax preparation business located in Durham, North Carolina, within the Middle District of North Carolina.
4. The Internal Revenue Service ("IRS") was an agency of the United States Department of the Treasury responsible for enforcing and administering the tax laws of the United States and collecting taxes owed to the United States.

**COUNT ONE**  
**(Conspiracy to Defraud the United States)**

5. Beginning on or about December 1, 2012, and continuing until on or about April 15, 2017, the exact dates to the Grand Jurors unknown, in the Middle District of North Carolina, and elsewhere, KAREN MARIE JONES and AUDREY RENETTA ODOM, and others known and unknown to the Grand Jurors, did voluntarily and knowingly combine, conspire, confederate, and agree together and with each other to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful government functions of the IRS in the ascertainment, computation, assessment, and collection of federal income taxes, in violation of Title 18, United States Code, Section 371.

**MANNER AND MEANS**

Among the manner and means by which KAREN MARIE JONES, AUDREY RENETTA ODOM, and others known and unknown to the Grand Jurors, carried out the conspiracy were the following:

6. KAREN MARIE JONES and AUDREY RENETTA ODOM, and others, aided and assisted in the preparation and filing of false U.S. Individual Income Tax Returns (IRS Forms 1040, 1040A, and 1040EZ) that resulted in issuance by the IRS of refunds to which the clients were not entitled. The false

items on the returns included, but were not limited to, false education credits, false income, and false federal withholdings.

7. KAREN MARIE JONES and AUDREY RENETTA ODOM, and others, charged clients fees ranging from approximately \$375 to \$3,000 for preparing their tax returns.

8. One or more of the conspirators took steps to conceal the existence of the conspiracy.

### OVERT ACTS

In furtherance of the conspiracy, and to affect the objects thereof, members of the conspiracy and others known and unknown to the Grand Jurors, committed and caused to be committed the overt acts below, among others, within the Middle District of North Carolina, and elsewhere:

9. In or around December 2012, KAREN MARIE JONES formed Jones and Stone Taxes.

10. On or about the dates listed below, KAREN MARIE JONES and AUDREY RENETTA ODOM, and others known and unknown to the Grand Jurors, prepared and filed and caused the preparation and filing of false United States Individual Income Tax Returns (IRS Forms 1040, 1040A, and 1040EZ) for the tax years and the individuals with initials identified below, each paragraph constituting a separate overt act:

Overt Act	Approximate Date Filed	Name	Form Type	Tax Year	False Entries
10-A	Jan. 27, 2014	D.S.	1040A	2013	Wages (line 7) American Opportunity Credit (line 40)
10-B	Jan. 22, 2015	D.S.	1040	2014	Other Income (line 21) American Opportunity Credit (line 68)
10-C	Feb. 1, 2016	D.S.	1040A	2015	Wages (line 7) American Opportunity Credit (line 44)
10-D	Feb. 12, 2017	D.S.	1040EZ	2016	Federal Withholdings (line 7)
10-E	Feb. 24, 2013	C.P.	1040	2012	Education Credits (line 49) American Opportunity Credit (line 66)
10-F	Feb. 17, 2014	C.P.	1040A	2013	Education Credits (line 31) American Opportunity Credit (line 40)
10-G	Feb. 8, 2015	C.P.	1040A	2014	Education Credits (line 33) American Opportunity Credit (line 44) Federal Withholdings (line 40)
10-H	Feb. 18, 2016	C.P.	1040A	2015	Education Credits (line 33) American Opportunity Credit (line 44) Federal Withholdings (line 40)
10-I	Feb. 12, 2017	C.P.	1040A	2016	Federal Withholdings (line 40)
10-J	Feb. 6, 2014	C.L.	1040A	2013	Wages (line 7) American Opportunity Credit (line 40)
10-K	Feb. 14, 2015	C.L.	1040A	2014	Wages (line 7) American Opportunity Credit (line 44)
10-L	Feb. 3, 2016	C.L.	1040A	2015	Wages (line 7) American Opportunity Credit (line 44)

10-M	Feb. 14, 2014	B.E.	1040A	2013	Education Credits (line 31) American Opportunity Credits (line 40)
10-N	Feb. 3, 2015	B.E.	1040A	2014	Education Credits (line 33) American Opportunity Credit (line 44) Federal Withholdings (line 40)
10-O	Feb. 1, 2014	A.E.	1040A	2013	American Opportunity Credit (line 40)
10-P	Feb. 4, 2015	A.E.	1040A	2014	American Opportunity Credit (line 44) Dependents (lines 1-4)
10-Q	Feb. 6, 2016	A.E.	1040A	2015	Education Credits (line 33) American Opportunity Credit (line 44) Dependents (lines 1-4)
10-R	Feb. 7, 2014	M.B.	1040A	2013	Education Credits (line 31) American Opportunity Credit (line 40)
10-S	Feb. 3, 2015	M.B.	1040A	2014	Education Credits (line 33) American Opportunity Credit (line 44)
10-T	April 2, 2016	M.B.	1040A	2015	Education Credits (line 33) American Opportunity Credit (line 44)

All in violation of Title 18, United States Code, Section 371.

**COUNTS TWO THROUGH SEVEN**  
**(Aiding and Assisting in the Preparation and Presentation of a**  
**False Tax Return)**

11. The general allegations in paragraphs 1–4 are realleged and incorporated by reference as though fully set forth herein.

12. On or about the dates set forth below, in the Middle District of

North Carolina, and elsewhere, KAREN MARIE JONES did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the IRS of U.S. Individual Income Tax Returns, IRS Forms 1040, 1040A, and 1040EZ, for the following tax years and taxpayers, as identified by their initials, which tax returns were false and fraudulent as to material matters, including but not limited to those described below:

<b>Count</b>	<b>Approximate Date Filed</b>	<b>Taxpayer</b>	<b>Form Type</b>	<b>Tax Year</b>	<b>False Material Matter(s)</b>
2	Jan. 22, 2015	D.S.	1040	2014	Other Income (line 21) American Opportunity Credit (line 68)
3	Feb. 1, 2016	D.S.	1040A	2015	Wages (line 7) American Opportunity Credit (line 44)
4	Feb. 12, 2017	D.S.	1040EZ	2016	Federal Withholdings (line 7)
5	Feb. 8, 2015	C.P.	1040A	2014	Education Credits (line 33) American Opportunity Credit (line 44) Federal Withholdings (line 40)
6	Feb. 18, 2016	C.P.	1040A	2015	Education Credits (line 33) American Opportunity Credit (line 44) Federal Withholdings (line 40)
7	Feb. 12, 2017	C.P.	1040A	2016	Federal Withholdings (line 40)

All in violation of Title 26, United States Code, Section 7206(2).

**COUNTS EIGHT THROUGH FOURTEEN**  
**(Aiding and Assisting in the Preparation and Presentation of a False**  
**Tax Return)**

13. The general allegations in paragraphs 1–4 are realleged and incorporated by reference as though fully set forth herein.

14. On or about the dates set forth below, in the Middle District of North Carolina, and elsewhere, AUDREY RENETTA ODOM did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the IRS of U.S. Individual Income Tax Returns, IRS Form 1040A, for the following tax years and taxpayers, as identified by their initials, which tax returns were false and fraudulent as to material matters, including but not limited to those described below:

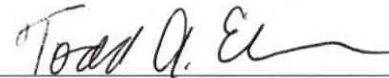
Count	Approximate Date Filed	Taxpayer	Form Type	Tax Year	False Material Matter(s)
8	Feb. 14, 2015	C.L.	1040A	2014	Wages (line 7) American Opportunity Credit (line 44)
9	Feb. 3, 2016	C.L.	1040A	2015	Wages (line 7) American Opportunity Credit (line 44)
10	Feb. 3, 2015	B.E.	1040A	2014	Education Credits (line 33) American Opportunity Credit (line 44) Federal Withholdings (line 40)

11	Feb. 4, 2015	A.E.	1040A	2014	American Opportunity Credit (line 44) Dependents (lines 1-4)
12	Feb. 6, 2016	A.E.	1040A	2015	Education Credits (line 33) American Opportunity Credit (line 44) Dependents (lines 1-4)
13	Feb. 3, 2015	M.B.	1040A	2014	Education Credits (line 33) American Opportunity Credit (line 44)
14	April 2, 2016	M.B.	1040A	2015	Education Credits (line 33) American Opportunity Credit (line 44)

All in violation of Title 26, United States Code, Section 7206(2).

DATED: August 31, 2020

MATTHEW G. T. MARTIN  
United States Attorney



BY: TODD ELLINWOOD  
Assistant Chief, Tax Division



BY: KAVITHA BONDADA  
Trial Attorney, Tax Division

A TRUE BILL:

  
FOREPERSON